

January 9, 1991

SUBJECT: INSURANCE

WITHDRAWN

Circular Letter No. 1 (1991)

TO: ALL INSURERS WRITING CREDIT LIFE AND CREDIT ACCIDENT AND HEALTH INSURANCE

RE: PROPOSED SIXTH AMENDMENT TO REGULATION 27-A

On November 27, 1990, the Court of Appeals held In The Matter of Binghamton GHS Employee Feder Credit Union et al v. State Division of Human Rights et al, that denial of a disability claim based upon a pregnancy exclusion in a credit accident and health policy constituted an unlawful discrimination in the terms and conditions of credit based on sex as prohibited by Section 296-a(1)(b) of the Human Rights Law.

Currently, Section 185.5(f)(2)(i) of Regulation 27-A (11 NYCRR 185) permits insurers to use a pregnancy exclusion in credit accident and health policies. The Department has filed a Notice of Proposed RuleMaking with the Secretary of State which would repeal the permissible pregnancy exclusion. A copy of the Proposed Sixth Amendment to Regulation 27-A is attached hereto.

The Department will expedite approval of policy forms and riders and any adjustment in premium rates in order to allow insurers to assist creditors and vendors in complying with the Binghamton GHS Credit Union decision. Where necessary, insurers should make the appropriate revisions to their contracts and certificates as quickly as possible in order that creditors and vendors can comply with the requirements of Section 296-a(1)(b) of the Human Rights Law.

Very truly yours,

[SIGNATURE]

Salvatore R. Curiale

Superintendent of Insurance